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Financing of the United Nations Mission in Ethiopia and Eritrea

Revised budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Mission in Ethiopia and Eritrea

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2005/06	$176,664,400
Expenditure 2005/06 (preliminary estimates)	$155,996,000
Appropriation 2006/07	$174,679,200
Revised estimates submitted by the Secretary-General 2006/07	$145,516,400
Recommendation of the Advisory Committee 2006/07	$137,385,100

1. **The recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraph 11 below would entail a net reduction of $8,131,300 in the revised budget of the United Nations Mission in Ethiopia and Eritrea (UNMEE) for the period from 1 July 2006 to 30 June 2007 (A/61/521).** The Advisory Committee also makes a number of observations with regard to the administration and management of the Mission.

2. The mandate of UNMEE was established by the Security Council in its resolutions 1312 (2000) and 1320 (2000) and was further adjusted by the Council in a number of subsequent resolutions. The most recent extension of the mandate, for a period of four months, until 31 January 2007, was authorized by the Council in its resolution 1710 (2006). In its resolution 1678 (2006), the Council, inter alia, requested the Secretary-General "to provide to the Council any further recommendations on adjusting UNMEE to focus on support for the demarcation process". In its resolution 1681 (2006), the Council authorized the reconfiguration of the UNMEE military component and approved the deployment within UNMEE of up to 2,300 troops, including up to 230 military observers. The revised budget reflects the reconfiguration and prevailing situation of the Mission.

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3. The Advisory Committee was provided with preliminary estimates of financial performance for the financial period 2005/06 and was informed that a formal performance report would be submitted together with the proposed budget for the Mission for the period 2007/08.

4. The General Assembly, by its resolution 60/272 of 30 June 2006, appropriated to the Special Account for UNMEE the amount of $182,237,800 (gross) for the financial period from 1 July 2006 to 30 June 2007 and apportioned among Member States $45,559,450 for the period from 1 July to 30 September 2006. The Assembly also decided to apportion the amount of $45,559,450 for the period from 1 October to 31 December 2006.

5. The Advisory Committee was informed that, as at 31 October 2006, a total of $1,162,105,000 had been assessed on Member States in respect of UNMEE since its inception. Payments received against the assessment amounted to $1,103,906,000, leaving an outstanding balance of $58,199,000 as at 31 October 2006. The cash position of the Mission as at 31 October 2006 was $30.3 million, and unliquidated obligations for the period from 1 July 2005 to 30 June 2006 amounted to $32.1 million.

6. The Advisory Committee was also informed that payments of $275.2 million had been made to Member States as at 31 October 2006 in respect of troop-cost reimbursement for the period from the inception of the Mission to the end of August 2006 and that payments for troop costs for the period from 1 September 2006 to 30 June 2007 were estimated at $25.8 million. With regard to contingent-owned equipment, the Committee was informed that payments made to Member States as at 31 October 2006 amounted to $169.5 million and that an estimated amount of $12.2 million would be required for the period up to 30 June 2007.

7. The revised resource requirements of UNMEE for the financial period from 1 July 2006 to 30 June 2007 reflect a reduction in military strength (from 3,404 to 2,300) and in civilian personnel (from 228 to 205 international staff and from 74 to 68 United Nations Volunteers). The revised resource requirements, which amount to $145,516,400, show a decrease of $29,162,800 (gross) from the current appropriation of $174,679,200 (gross).

8. The Advisory Committee notes that the revised budget identifies elements of the results-based budgeting framework, such as indicators of achievement and outputs that need to be modified to reflect the reconfiguration of UNMEE. **In this connection, the Committee points out that indicators of achievement in the next budget submission should reflect actual functions of the Mission.**

9. **The Advisory Committee also points out that information in support of a number of proposals included in the revised budget is inadequate and lacking precision. For example, although there is a substantial reduction in the military component, no rationale is given in the budget as to why the civilian component should be reduced by only 23 international posts and 6 United Nations Volunteer positions; the rationale for the redeployment of posts should have been explained more clearly.** It was subsequently explained to the Committee that although the number of military personnel will be reduced, this will not have an impact on the number of locations in which the Mission conducts its operations.

10. **In this connection, the Advisory Committee trusts that information on the full impact of the reconfiguration on the overall staffing requirements of the**

Mission, the redeployment of posts and the relationship between the military, substantive and support components will be provided in the proposed budget for UNMEE for the financial period 2007/08. Moreover, the Committee expects that the performance report for the financial period 2005/06 will include specific data on the workload of the Conduct and Discipline Team at UNMEE (see A/60/790, para. 17), as well as on quick-impact projects for which the implementation of a previous recommendation of the Advisory Committee is still outstanding (see A/60/790, para. 24).

11. The Advisory Committee was informed, upon enquiry, of delays in the deployment of military and civilian components of UNMEE and of the impact of the continuation of the ban on helicopter flights imposed by Eritrean authorities (see annex). According to the Secretariat, the delays in the deployment of military personnel, as well as the lower-than-budgeted incumbency rate among civilian personnel, would entail a further estimated reduction of $191,400 in resource requirements; potential savings could also be expected due to diesel restrictions for generators ($750,000) and vehicles ($500,000). Moreover, should the ban on helicopter flights stay in place until 30 June 2007, potential savings could amount to $6,689,900. Thus, the total amount of potential savings that could be projected to take account of delays in the deployment of military and civilian components of UNMEE, diesel restrictions and the continuing ban on helicopter flights is estimated at $8,131,300 (see annex). **The Committee recommends, accordingly, that the revised estimates of $145,516,400 submitted by the Secretary-General for the Mission be reduced by the total amount of projected savings of $8,131,300. Should the ban on helicopter flights be lifted before 30 June 2007, the Committee expects that a proposal to restore all or part of the relevant amount ($6,689,900) would be supported by the latest budget implementation data.**

12. The action to be taken by the General Assembly in connection with the financing of UNMEE for the period from 1 July 2006 to 30 June 2007 is indicated in paragraph 25 of the revised budget for 2006/07 (A/61/521). **In view of its comments in the paragraph above, the Advisory Committee recommends that the appropriation decided upon by the General Assembly in its resolution 60/272 for the maintenance of the Mission for the 12-month period from 1 July 2006 to 30 June 2007 be reduced from $174,679,200 to $137,385,100.**

Documentation

- Revised budget for the United Nations Mission in Ethiopia and Eritrea for the period from 1 July 2006 to 30 June 2007: report of the Secretary-General (A/61/521)
- General Assembly resolution 60/272
- Report of the Secretary-General on Ethiopia and Eritrea (S/2006/749)
- Security Council resolutions 1312 (2000), 1320 (2000), 1678 (2006), 1681 (2006) and 1710 (2006)

Annex

Current and projected expenditure for the period from 1 July 2006 to 30 June 2007

(United States dollars)

	Apportionment	*Original proposed revised amount for 2006/07*	*Expenditure as at 31 Oct 2006*	*Projected*		*Reason for savings*
				Total projections to 30 June 2007 (including expenditure as at 31 October 2006)	*Estimated unencumbered balance as at 30 June 2007*	
I. Military and police personnel						
Military observers	7 822 800	7 822 800	2 556 157	7 755 100	67 700	Delayed deployment factor revised from 2% to 3%
Military contingents	70 262 500	55 347 200	26 196 430	55 347 200	-	
Civilian police		-	-	-	-	
Formed police units		-	-	-	-	
Subtotal	**78 085 300**	**63 170 000**	**28 752 587.0**	**63 102 300**	**67 700**	
II. Civilian personnel						
International staff	29 178 800	22 113 600	6 462 465	22 113 600	-	
National staff	1 198 400	1 329 800	346 062	1 245 800	84 000	Delayed deployment factor revised from 5% to 11%
United Nations Volunteers	2 564 700	2 405 300	597 002	2 365 600	39 700	Delayed deployment factor revised from 5% to 7%
Subtotal	**32 941 900**	**25 848 700**	**7 405 529.0**	**25 725 000**	**123 700**	
III. Operational costs						
General temporary assistance	622 300	622 300	-	622 300	-	
Government-provided personnel	-	-	-	-	-	
Civilian electoral observers	-	-	-	-	-	
Consultants	-	-	-	-	-	
Official travel	520 700	666 800	206 489	666 800	-	
Facilities and infrastructure	16 481 300	14 794 900	5 926 945	14 044 900	750 000	Diesel restrictions for generators: 60%, or 700,000 litres, representing savings of $750,000 over the 9-month period

	Apportionment	Original proposed revised amount for 2006/07	Expenditure as at 31 Oct 2006	Projected: Total projections to 30 June 2007 (including expenditure as at 31 October 2006)	Projected: Estimated unencumbered balance as at 30 June 2007	Reason for savings
Ground transportation	6 094 500	5 888 200	953 416	5 388 200	500 000	Diesel restrictions for vehicles 40%, or 475,000 litres, representing savings of $500,000 over the 9-month period
Air transportation	22 471 800	15 587 200	3 686 295	8 897 300	6 689 900	Savings if the ban on helicopters stays in place until 30 June 2007
Naval transportation	-		-	-	-	
Communications	5 760 800	4 885 400	2 424 840	4 885 400	-	
Information technology	1 088 500	1 021 600	160 605	1 021 600	-	
Medical	2 168 500	1 590 300	1 017 328	1 590 300	-	
Special equipment	1 387 700	992 500	683 700	992 500	-	
Miscellaneous supplies, services and equipment	7 055 900	10 448 500	333 203	10 448 500	-	
Quick-impact projects	-		-		-	
Subtotal	**63 652 000**	**56 497 700**	**15 392 821.0**	**48 557 800**	**7 939 900**	
Gross	174 679 200	145 516 400	51 550 937.0	137 385 100	8 131 300	
Staff assessment income	3 563 700				-	
Net	171 115 500	145 516 400	51 550 937.0	137 385 100	8 131 300	
Voluntary contributions in kind (budgeted)		-		-	-	
Total	**174 679 200**	**145 516 400**	**51 550 937**	**137 385 100**	**8 131 300**	